



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street
San Francisco, CA 94105-3901

MEMORANDUM

DATE: January 6, 2017

SUBJECT: Approval and Interim Funding Projections for Implementation of the Tronox Settlement for FY2017

FROM: Chip Poalinelli, Tronox NAUM Coordinator, Region 9
Kevin Shade, Tronox NAUM Coordinator, Region 6 *KS*

TO: Clancy Tenley, Assistant Director, Superfund Division, Region 9

THRU: Ben Banipal, Branch Chief, Technical and Enforcement Branch, Region 6 *BB*

SSID Nos.: A6FK, A6KZ, A6FP, and A0982

I. Introduction

The purpose of this memorandum is to request and document approval to spend \$8,210,000.00 of the Tronox (*In re: Tronox Incorporated, et al*, Case No. 09-10156 (Bankruptcy, S.D.N.Y) for projects activities (listed in Section III) on the Tronox Navajo Area Uranium Mines in Regions 9 and 6 respectively.

II. Background

The Tronox Navajo Area Uranium Mines (Tronox NAUM) are located primarily in the Grants Mining District in New Mexico and in the Northern and Eastern Regions of the Navajo Nation. During the October 20, 2016 Tronox meeting between the U.S. EPA and the Navajo Nation, the U.S. EPA proposed the following Twelve (12) FY2017 projects:

Project I: Quivira Mines Removal Pre-Design Activities;
Project II: Quivira Mines Utilities Rerouting;
Project III: Quivira Mines Groundwater Assessment;
Project IV: Mine Category Assessment Protocol Reconnaissance
Project V: Cove Chapter Emergency Responses/Time Critical Actions;
Project VI: Tronox Data Management Portal;
Project VII: Cove Wash Watershed Assessment Follow-Up;
Project XIII: Initiate Cove Remedial Investigations;
Project IX: Cove Livestock Sampling;

Project X: Cooperative Agreements and Grants for Navajo Nation and Training/Education Institutions (NSP, AML, Dine' College, etc.);

Project XI: Non-time Critical Removal Site Evaluation and EE/CA on the Central Geographic Sub-Area, Ambrosia Lake; and

Project XII: Time Critical Residential Removal Action for the Tronox NAUM Section 18 Mine Site, Ambrosia Lake.

Funding for these projects are summarized in Section III of this memorandum.

III. Estimated Contract Funding for FY2017 Projects

The estimated contract funding for FY2017 projects is based on information currently available and the best estimates of the project team proposing the work. Estimated contract funding and scope for these project will be further defined during the work plan process. The estimated funding for FY2017 projects are summarized below:

Region	Project	Contracting Cost
Region 9 - (I)	Quivira Mines Removal Pre-Design Activities	\$400,000
Region 9 - (II)	Quivira Mines Utilities Rerouting	\$500,000
Region 9 - (III)	Quivira Mines Groundwater Assessment	\$1,000,000
Region 9 - (IV)	Mine Category Assessment Protocol Reconnaissance	\$200,000
Region 9 - (V)	Cove Chapter Emergency Responses/Time Critical Actions	\$200,000
Region 9 - (VI)	Tronox Data Management Portal	\$300,000
Region 9 - (VII)	Cove Wash Watershed Assessment Follow-Up	\$600,000
Region 9 - (VIII)	Initiate Cove Remedial Investigations	\$1,200,000
Region 9 - (IX)	Cove Livestock Sampling	\$500,000
Region 9 - (X)	Cooperative Agreements and Grants for Navajo Nation and Training/Education Institutions (NSP, AML, Dine' College, etc.)	\$1,200,000
Total Region 9		\$6,100,000
Region 6 - (XI)	Non-time Critical Removal Site Evaluation and EE/CA on the Central Geographic Sub-Area, Ambrosia Lake	\$2,060,000
Region 6 - (XII)	Time Critical Residential Removal Action for the Tronox NAUM Section 18 Mine Site, Ambrosia Lake	\$50,000
Total Region 6		\$2,110,000
Total Region 6 & 9 FY 2017		\$8,210,000*

*U.S. EPA costs (payroll, travel, expenses, and grants) associated with these projects that will be reported in the Tronox Quarterly Report.

The requested project funding is based on estimated contractor costs, there will also be U.S. EPA costs (payroll, travel, and expenses) associated with this project that will be reported in the Tronox Quarterly and Annual Reports.

IV. Purpose/Justification

The purpose of these projects are to investigate and propose alternatives to mitigate, reduce and/or eliminate the potential for human or ecological exposures to uranium/vanadium mining wastes at the Tronox NAUM settlement area mines on and impacting the Navajo Nation.

The activities and amounts noted above are based on an analysis by EPA Region 9 and Region 6 regarding the most urgent tasks to prepare for cleanup of the Tronox NAUM and the Quivira Mine Site, following consultation with the Navajo Nation and coordination with the State of New Mexico.

V. Anticipated Costs and Accounting

Future costs presented in this "Annual Funding Planning Memo" are estimates. Region 9 and Region 6 will be examining quarterly summaries of expenditures in order to further refine these estimates and determine whether supplemental funding will be needed for their efforts in FY2017. If additional funding is needed, the Tronox Coordinators will present a request for approval of supplemental funding, along with a justification and cost estimate.

VI. Approval for FY2017 Funding

The U.S. EPA Tronox NAUM Coordinators recommend the FY2017 project and estimated funding for the Tronox NAUM Special Account as described in Section III of this memo. Please indicate your approval or disapproval on the signature lines provided below. We look forward to responding to any questions or concerns.

APPROVED:

 1/6/17

Clancy Tenley, Assistant Director, Superfund Division, Region 9 Date

NOT APPROVED:

Clancy Tenley, Assistant Director, Superfund Division, Region 9 Date

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